

# **CITY COUNCIL AGENDA REPORT**

**SUBJECT: Voluntary Furlough Program**

**AGENDA DATE: December 2, 2008**

**PREPARED BY: Judith Hashem, Finance Director**

**APPROVED FOR AGENDA BY: Ralph G. Velez, City Manager**



**RECOMMENDATION: City Council is requested to take the following action:**

- 1. Adopt the attached Resolution No. 08-\_\_\_\_ authorizing the Voluntary Furlough Program; and**
- 2. Approve the Voluntary Furlough Program Employee Participant Agreement for management and unrepresented employees for Fiscal Year 2008-09.**

**FISCAL IMPACT:**

The adopted appropriations for expenditures will have to be adjusted downward based on our revised estimated revenues to be realized for the fiscal year, in order to balance the budget at June 30, 2009.

**BACKGROUND INFORMATION:**

The City is experiencing a financial crisis for Fiscal Year 2008-09 and as one of the cost-saving measures, we are recommending the implementation of a Voluntary Furlough Program immediately for management and unrepresented employees. Only those management and unrepresented employees wishing to participate in the program and signing the Employee Participant Agreement will be affected at this time.

Staff recommends the City Council adopt the attached Resolution No. 08-\_\_\_\_ and the Voluntary Furlough Program as a cost savings measure for the City and to allow employees who participate to take advantage of spreading the total amount of the furlough over the remaining pay periods in Fiscal Year 2008-09.

**DOCUMENTS ATTACHED:**

- 1. Agreement**
- 2. Resolution**

**Agenda Item No. \_\_\_\_**

**Page \_\_\_\_ Of \_\_\_\_**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO  
ADOPTING A VOLUNTARY FURLOUGH PROGRAM FOR MANAGERIAL  
AND UNREPRESENTED EMPLOYEES FOR FISCAL YEAR 2008-2009**

**WHEREAS**, the City of Calexico has determined the financial condition of the City warrants the immediate reduction in expenditures; and

**WHEREAS**, the managerial and unrepresented City employees have expressed an interest in a voluntary furlough program in order to reduce expenditures; and

**WHEREAS**, a voluntary work furlough program is a cost savings measure to reduce the overall budget expenditures for Fiscal Year 2008-2009; and

**WHEREAS**, pursuant to the proposed voluntary work furlough program, interested, eligible employees shall agree to a deduction from their gross salary in the equivalent of one (1) pay period, defined as 1/26th of the employee's annual salary, equally divided over the number of pay periods remaining in the fiscal year following the employee's execution of a participant agreement. In return for the deduction, employees shall be allowed to use work furlough days, defined as the number of days in one pay period of the employee, as days off of work to be taken during Fiscal Year 2008-2009, with final scheduling approval by the City; and

**WHEREAS**, the proposed voluntary work furlough program shall be administered pursuant to an employee participant agreement between an individual employee and the City; the proposed voluntary work furlough program shall be administered by the City Manager or his designee(s).

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, DOES RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct, and are deemed to be findings of the City Council.

**Section 2.** The City Council adopts a voluntary work furlough program for managerial and unrepresented employees for fiscal year 2008-2009, which shall be implemented immediately, shall be administered by the City Manager or his designee(s), and shall be effective the first pay period after execution of the employee participant agreement by individual employees.

**PASSED, APPROVED AND ADOPTED THIS 2ND DAY OF DECEMBER, 2008.**

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**LOUIS FUENTES, MAYOR**

ATTEST:

\_\_\_\_\_  
LOURDES CORDOVA, CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
JENNIFER M. LYON, CITY ATTORNEY

STATE OF CALIFORNIA )  
COUNTY OF IMPERIAL ) SS.  
CITY OF CALEXICO )

I, LOURDES CORDOVA, CITY CLERK OF THE CITY OF CALEXICO, DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING RESOLUTION NO. \_\_\_\_ WAS DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CALEXICO ON THIS 2ND DAY OF DECEMBER, 2008 BY THE FOLLOWING VOTE, TO-WIT:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
LOURDES CORDOVA, CITY CLERK

S E A L

**CITY OF CALEXICO  
VOLUNTARY FURLOUGH PROGRAM  
EMPLOYEE PARTICIPANT AGREEMENT**

I, \_\_\_\_\_, am an employee with the City of Calexico ("City") and, by signing this Agreement, I acknowledge and agree to participate in the City's Voluntary Furlough Program for fiscal year 2008-2009. I further acknowledge and agree that my participation is strictly voluntary, and once I agree to the terms of the Program as set forth herein, I cannot rescind or terminate my participation until the end of the fiscal year on June 30, 2009. I understand that the City is implementing this Program as a cost-savings measure. I acknowledge and agree that I will receive no additional compensation or benefit from my participation in the Program, other than what is set forth in this Agreement.

I agree to a work furlough equivalent to one (1) pay period during Fiscal Year 2008-2009. A pay period is defined as 1/26<sup>th</sup> of my annual salary equal to the amount reported to the Public Employees Retirement System, as per Government Code section 20636. I understand that my annual pay will be reduced by one pay period, distributed equally over the remainder of the pay periods in the fiscal year from the date of my signature on this Agreement. I will be able to use the furlough days, as days off of work, during Fiscal Year 2008-2009, pursuant to the provisions set forth in this Agreement.

I acknowledge and agree that the City maintains final approval for all time off, including furlough days; however, I understand that the City will use its best efforts to give me and other employees taking furlough priority, compared to employees not participating in the Program, to use hours of furlough between the holidays of December 25 and January 1.

For those employees designated to take hours during the holidays between December 25<sup>th</sup> and January 1, the remaining furlough hours shall remain in a furlough leave balance account for me, which must be used in Fiscal Year 2008-2009, according to the provisions set forth in (A) through (D) below.

Work furlough is subject to the following rules:

- A. Employees' regular paycheck shall be reduced by an amount equal to the total dollar amount of furlough divided by the number of pay periods remaining in the fiscal year, resulting in a constant reduction amount. The payroll deduction reflecting the work furlough will begin with the first regular payroll after execution of this agreement.
- B. The use of furlough hours must be pre-approved by employee's immediate supervisor. In cases where approvals relating to which

employee within a particular classification will work during the furlough period, consideration shall be given to employee preferences, equity, and needs of the employee's Department and the City.

- C. Employees scheduled to be off during the furlough period, who are called in to work due to operational necessity, shall have the option of having the appropriate number of hours added to their furlough leave bank or receive overtime compensation, if applicable, for the actual hours worked.
- D. I acknowledge and agree that the furlough hours and furlough paychecks will be prorated, if I terminate employment with the City of Calexico prior to June 30, 2009. The City of Calexico will adjust my final compensation upon termination to reflect any time owed under this agreement.

I agree to be bound by the terms and conditions set forth in this Agreement, and I agree that my participation in the Program begins upon signing of the Agreement. I further understand that the Program will be implemented on the first pay period ending after execution of this Agreement.

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Date

Distribution: Original to Employee's Personnel File  
Copy to Finance Department  
Copy to Employee